

Mr Alberto Pototschnig,
Director of the Agency for the Cooperation of Energy Regulators (ACER)

Mr Nick Winser
President of the European Network of Transmission System Operators for Electricity (ENTSO-E)

22 June 2015

Dear Mr Pototschnig,

Dear Mr. Winser,

Effective Stakeholder Engagement in the implementation of the Network Code on Electricity Balancing

I am writing to express some concern over the lack of involvement of certain individual stakeholders in the above process, and consequently to ask that ELEXON at least, be able to participate directly in the stakeholder groups concerned with the implementation of the European Network Code on Electricity Balancing.

I have discussed this request with the British Balancing and Settlement Code Panel, who have expressed their support of it.

The need to involve local stakeholder expertise and experience

I very much agree with ACER/ENTSO-E's statements in the draft Terms of Reference for the proposed European Network Code Stakeholder Committees that:

- "effective stakeholder engagement is essential to the overall success..." ;
- " in practice this involves efficient and intensive sharing of views and information by all interested parties throughout the process..." ; and that the committees should
- "take into consideration all issues... expressed by a majority or minority of stakeholders".

So I very much welcome the proposed creation of European Network Code Stakeholder Committees.

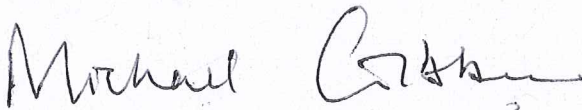
My concern is essentially that the restrictions on membership of these Committees is undesirable; and that they effectively operate against including the expertise and experience of specific individual organisations, including ELEXON from the UK. This problem applies to the main Stakeholder Committees and their subgroups; ELEXON, for example, would want to be represented on the subgroup(s) concerned with the implementation of imbalance settlement and balancing settlement.

The main reasons why I believe ELEXON should have direct access to these discussions are:

- 1) ELEXON is the national body responsible for the settlement of imbalances and balancing mechanism products in Great Britain. We would like to support the debate, and we are directly affected by its outcome. I emphasise that some critical issues, for example a Europe-wide common imbalance settlement period duration may have no effect on some Member States who already operate with that value, but would be a very significant change for others who currently do not.
- 2) ELEXON has the requisite skills and knowledge to make a major direct contribution; it is a practitioner, not a spokesman for others.

- 3) I am sure I do not need to draw your attention to the extreme sensitivity in the UK at present to the issue of pan-European governance of our regulations. In that context, we note that there is no current representative from Britain on the European Balancing Stakeholder Group. There is frustration here at the lack of the direct opportunity to engage.

Yours sincerely,



Michael Gibbons CBE

ELEXON Chairman

Cc:

Mr Dominique Ristori, Director-General for Energy, European Commission

Dr Konstantin Staschus, Secretary-General of ENTSO-E